CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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- 1. No general easing of tension to parallel that in the other Iron Curtain countries has been observed in Rumania. On the contrary, an attempt is being made to complete the present Five-Year Plan one year ahead of schedule despite the present acute food crisis. This requires strenuous effort by the workers and lowered living standards for all, a combination that can only be achieved through strongly maintained political pressure. There has also been no sign of that greater friendliness towards members of the foreign diplomatic missions which has been noticeable in other satellite capitals.
- 2. Observers see in both these failures to conform to the new trend from Moscow signs that, even if there should be at some time in the future significant constitutional changes in some of the satellites, the position of Rumania will not be affected. There is to be no opening of the Curtain here, therefore no need for the Communist Party to make itself popular. Nor would any need arise for high level diplomatic relations if Rumania is either formally or informally annexed to the Soviet Union itself.
- 3. Any change that has been observed is more in manner than in content. The press has been making its contribution to the new Peace Campaign by repeating the sentiments that have been coming out of the USSR without allowing this in any way to interfere with the strict application of the principles of the regime.
- 4. It is of interest that the issue of <u>Scanteia</u> which contained Eisenhower's speech (together with the official Soviet reply) was sold out immediately. It is known that the Party Central Committee issued special orders to Agitprop personnel, instructing them to make sure that workers everywhere read the <u>Pravda</u> reply as carefully as Eisenhower's speech. This was interpreted by some as a hint not to read the Eisenhower speech at all, with the result that many people in Rumania were afraid to be seen reading their own official party organ that day.

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25 YEAR RE-REVIEW

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- 5. The moderation in tone is only relative. "Imperialist warmengers" appears in the press almost daily, but they are not called "Anglo-American" for the time being and "Wall Street" is only rarely mentioned. Names of the Western Powers are not referred to in accounts of the struggle in Asia, and the I May posters carried no attacks or caricatures against the Western Powers. There were no references of any kind to Tito, and the Belgrade-Athens-Ankara axis, formerly a favorite with political cartoonists, has disappeared completely. On the other hand, Scanteia suddenly declared that the press was not devoting sufficient space to the miseries of the workers in the capitalist countries, and this resulted in a series of articles on these lines.
- 6. Rumania still holds a number of foreign citizens in prison and refuses to release them, including even persons with a service passport. Not one Rumanian citizen who was formerly employed by a foreign consulate and subsequently arrested has been released. Exit permits, even for temporary visits are not granted to foreign citizens under any circumstances. The only concession made to any foreign power during the past few months was in connection with compensation which the Swedish Legation asked for certain nationalized Swedish property. K. Hamarjsjoeld, first secretary of the Swedish embassy to Moscow and a nephew of the Secretary of the United Nations, was appointed temporary Charge d'Affaires at Bucharest for the period of negotiations. He has already given as his opinion that the negotiations will come to nothing.
- 7. A sudden move was made in March to break up the minority organizations in Rumania, The dissolution of the committees took place at a series of conferences at which the committees in turn decided that their existence had become superfluous and voted to dissolve themselves. These organizations, which appeared in the light of national, cultural and regional organizations, were in fact active branches of the Communist Party and followed the accepted description of "socialist content and nationalist form". By far the most significant of these organizations was the "Hungarian Popular Committee in Rumania" the only organization of the large Hungarian population in Transylvania. There have been repeated reports of political squabbles within the Party between Rumanians and Hungarians, and it is likely that an anxious Moscow quietly encouraged these differences to maintain complete mastery under all circumstances. This was done systematically in the first years after the war, and the first direct Rumanian-Hungarian trade company (Romagchim) was only formed in 1952. It appears that the USSR has during the past month regretted the decision to permit such direct contacts and is anxious to prevent the formation of regional economic spheres of interest. The official name of the minorities has now been changed from "Nationalitati Conlocuitoare" (Nationalities living in the same place) to "Minoritati Nationale" (National Minorities), a clear indication that emphasis is being laid on the Rumanian nationality of the Rumanian Popular Republic.
- 8. The C.D.E. (Jewish National Committee) was similarly dissolved at this period by its head, Bercu Feldman. Although details of his address on this occasion are not known, he declared that the organization had "fulfilled its historical mission" and there was no further occasion for its existence. It is not easy to see what recent development in regard to the Rumanian Jews could be considered a basis for his statement. The chief mission of the C.D.E. during the past three years had been to persuade the Jews that Rumania was their "socialist homeland" and that it was criminal lunacy to emigrate to Israel. Feldman's statement has accordingly been interpreted as an end of the need to persuade the Jews not to emigrate. This, again, has been interpreted in two diametrically opposite ways: optimists among the Jews say it means that emigration will again be permitted on a large scale, while pessimist said that it has been finally decided that there is to be no further emigration. In either case, it is argued, it would be superfluous to persuade the Jews not to go. Meanwhile both the Rumanian and the Yiddish organs of the C.D.E. have been closed down, but there is no indication that elementary schools in which Yiddish is the

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language of instruction are to be closed. The Yiddish theater in Bucharest has been moved from its own building to a smaller hall and has been on tour in the provinces for a considerable period. The Yiddish theater at Iasi is continuing to operate.

- 9. Since there was seemingly no very urgent reason to close down the C.D.E., it is supposed that this, like the dissolution of the other national committees, was done to make less conspicuous the removal of the powerful and potentially dangerous Hungarian Committee. The Jews were relieved to see the last of the C.D.E., which appealed to few of them; those with a national consciousness objected to Communist ideology, while active Communists were irked by the nationalist framework and usually preferred to play their part directly in the Rumanian Party.
- 10. The Party organization in Rumania has lately been extended to include previously neglected sections of the population, including housewives and owners and employees of small workshops. This has been officially defined as part of the campaign to complete the Five-Year Plan in four years, "to increase production and efficiency, to speed up collectivization of agriculture, to fight 'the enemy at home', to increase watchfulness against sabotage, foreign agents and spies, to fight bourgeois nationalism, to achieve unity among the nationalities living in Rumania, and to cement lasting friendship with the USSR, China, and the Popular Democracies". There is no change in these slogans compared to those of the Stalinist era, and the only noteworthy point is the renewed emphasis on collectivization, which had apparently been slowed down during recent months.
- 11. The food crisis has become extremely serious. There have been long queues for bread, and even "mamaliga" (coarse cornmeal mush) which has for centuries formed the staple dish of the Rumanian peasantry, has been almost unobtainable. An acute shortage of seed has also developed, and the government can only offer "Soviet agrotechnical methodology" to the farmers. No sugar has been distributed to the population since the middle of March. Meat is distributed only occasionally, and there is no fish, butter, rice, flour, or wine. On the other hand, there is an astonishing number of industrial goods of very poor quality on the market. Few people make purchases; they spent what spare money they had during the last few months of a further currency devaluation, and current earnings go entirely to food purchases. A kilogram of oil costs 25 lei, or 10 per cent of the average earnings of a factory worker. Living conditions have deteriorated with almost unbelievable rapidity, even if it is taken into consideration that there has been no expert direction since Vasile Luca was dismissed. Planning has become both shortsighted and too rigid to allow for adjustment to unforeseen circumstances. The Soviet advisers who dominate all the ministries have been mainly occupied, as usual, with serving immediate Soviet interests.
- 12. In Bucharest the following reasons for the acute crisis are given:
 - a. Two successive seasons of drought.
 - b. Failure of the government to provide reserves against such a contingency.
 - C. Immediate export of all agricultural surpluses to pay for industrial equipment.
 - d. Soviet price policy of buying cheaply from Rumania and selling at high prices to Rumania.
 - e. Persecution of farmers with large and medium holdings, with the result that these refuse to produce except for their own consumption.
 - f. Fear of collectivization by the small peasants.
 - g. Peasants' lack of faith in the currency and refusal to sell except by barter.
 - h. Red tape of state marketing organizations.

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Undoubtedly the main factors of the crisis must be sought under the second and third reasons, which together constitute the government's policy of exporting everything marketable in order to pay for industrial imports. It is reliably known, for instance, that Rumania imported wheat from the USSR but re-exported it immediately to Albania in exchange for copper. This occurred at the time when queues outside bakeries were becoming longer every day and peasants were refusing to sell eggs and milk except for flour.

- 13.. The Party has indulged in many attacks against housewives and is trying to discourage them from queueing up too demonstratively. It is reported that there have been quarrels and even fights in the queues, but there has been no open revolt in the towns, although some of the villages are reported to be very restless. Several hundred farmers besieged the offices of the Local Council in one large village near Bucharest and demanded the release of commeal. The outcome is not known.
- 14. It is now known that the amnesty which was pronounced after Stalin's death, whose precise terms were kept secret for a while, applies chiefly to minor criminal off—enders and to specific agricultural offenses, such as failure to carry out government planting instructions or to fulfill norms. It is not likely to affect more than a total of 2,000 persons.

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